

# SENATE AMENDMENTS

2<sup>nd</sup> Printing

By: Geren

H.B. No. 2098

A BILL TO BE ENTITLED

1 AN ACT

2 relating to allowing the holder of a brewpub license to sell ale and  
3 malt liquor to certain wholesalers.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 19.01, Alcoholic Beverage Code, is  
6 amended to read as follows:

7 Sec. 19.01. AUTHORIZED ACTIVITIES. The holder of a  
8 wholesaler's permit may:

9 (1) purchase and import liquor from distillers,  
10 brewers, wineries, wine bottlers, rectifiers, and manufacturers  
11 who are holders of nonresident seller's permits or from their  
12 agents who hold manufacturer's agents permits;

13 (2) purchase ale and malt liquor from holders of  
14 brewpub licenses;

15 (3) purchase liquor from other wholesalers in the  
16 state;

17 (4) [~~(3)~~] sell liquor in the original containers in  
18 which it is received to retailers and wholesalers in this state  
19 authorized to sell the liquor;

20 (5) [~~(4)~~] sell liquor to qualified persons outside the  
21 state; and

22 (6) [~~(5)~~] sell ale and malt liquor to a holder of a  
23 private club registration permit.

24 SECTION 2. Section 21.01, Alcoholic Beverage Code, is

1 amended to read as follows:

2           Sec. 21.01. AUTHORIZED ACTIVITIES. The holder of a local  
3 class B wholesaler's permit may:

4           (1) purchase and import malt and vinous liquors from  
5 brewers, wineries, rectifiers, and wine manufacturers and bottlers  
6 who are holders of nonresident seller's permits and from their  
7 agents who are holders of manufacturer's agent permits;

8           (2) purchase malt and vinous liquors from holders of  
9 brewer's permits, holders of brewpub licenses, and [~~from~~] other  
10 wholesalers in the state;

11           (3) sell the malt and vinous liquors, in the original  
12 containers in which the permit holder [~~he~~] receives them, to  
13 general and local class B wholesaler's permittees and, in the  
14 permit holder's [~~his~~] county of residence, to local distributor's  
15 permittees and retailers, including mixed beverage permittees and  
16 daily temporary mixed beverage permittees; and

17           (4) sell ale and malt liquor to a holder of a private  
18 club registration permit.

19           SECTION 3. Section 74.10(a), Alcoholic Beverage Code, is  
20 amended to read as follows:

21           (a) In addition to the activities authorized by Section  
22 74.01, the holder of a brewpub license may sell ale and malt liquor  
23 to the holder of a wholesaler's permit, a general class B  
24 wholesaler's permit, or a local class B wholesaler's permit.

25           SECTION 4. This Act takes effect immediately if it receives  
26 a vote of two-thirds of all the members elected to each house, as  
27 provided by Section 39, Article III, Texas Constitution. If this

H.B. No. 2098

- 1 Act does not receive the vote necessary for immediate effect, this
- 2 Act takes effect September 1, 2017.

ADOPTED

MAY 22 2017

*Lately Spaw*  
Secretary of the Senate

C.B. No. 2098

By: *Frank Watson* (Watson)

Substitute the following for \_\_\_B. No. \_\_\_:

By: *Greg Hancock*  
(Hancock)

C.S. H.B. No. 209E

A BILL TO BE ENTITLED

1 AN ACT

2 relating to allowing certain wholesalers and distributors to  
3 purchase beer, ale, and malt liquor from the holder of a brewpub  
4 license.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Section 19.01, Alcoholic Beverage Code, is  
7 amended to read as follows:

8 Sec. 19.01. AUTHORIZED ACTIVITIES. The holder of a  
9 wholesaler's permit may:

10 (1) purchase and import liquor from distillers,  
11 brewers, wineries, wine bottlers, rectifiers, and manufacturers  
12 who are holders of nonresident seller's permits or from their  
13 agents who hold manufacturer's agents permits;

14 (2) purchase ale and malt liquor from holders of  
15 brewpub licenses;

16 (3) purchase liquor from other wholesalers in the  
17 state;

18 (4) [~~3~~] sell liquor in the original containers in  
19 which it is received to retailers and wholesalers in this state  
20 authorized to sell the liquor;

21 (5) [~~4~~] sell liquor to qualified persons outside the  
22 state; and

23 (6) [~~5~~] sell ale and malt liquor to a holder of a  
24 private club registration permit.

1 SECTION 2. Section 21.01, Alcoholic Beverage Code, is  
2 amended to read as follows:

3 Sec. 21.01. AUTHORIZED ACTIVITIES. The holder of a local  
4 class B wholesaler's permit may:

5 (1) purchase and import malt and vinous liquors from  
6 brewers, wineries, rectifiers, and wine manufacturers and bottlers  
7 who are holders of nonresident seller's permits and from their  
8 agents who are holders of manufacturer's agent permits;

9 (2) purchase malt and vinous liquors from holders of  
10 brewer's permits, holders of brewpub licenses, and [~~from~~] other  
11 wholesalers in the state;

12 (3) sell the malt and vinous liquors, in the original  
13 containers in which the permit holder [~~he~~] receives them, to  
14 general and local class B wholesaler's permittees and, in the  
15 permit holder's [~~his~~] county of residence, to local distributor's  
16 permittees and retailers, including mixed beverage permittees and  
17 daily temporary mixed beverage permittees; and

18 (4) sell ale and malt liquor to a holder of a private  
19 club registration permit.

20 SECTION 3. Section 65.01(a), Alcoholic Beverage Code, is  
21 amended to read as follows:

22 (a) The holder of a local distributor's license may:

23 (1) receive beer in unbroken original packages from  
24 manufacturers and brewpubs and from general, branch, or local  
25 distributors;

26 (2) sell and distribute beer in the unbroken original  
27 packages in which it is received:

1 (A) to the following, if located in the county of  
2 the licensee's residence: local distributor permittees, permittees  
3 or licensees authorized to sell to ultimate consumers, private club  
4 registration permittees, authorized outlets located on any  
5 installation of the national military establishment, or qualified  
6 persons for shipment and consumption outside the state; or  
7 (B) to other licensed distributors in the state;  
8 and  
9 (3) serve free beer for consumption on the licensed  
10 premises.

11 SECTION 4. Section 74.10(a), Alcoholic Beverage Code, is  
12 amended to read as follows:

13 (a) In addition to the activities authorized by Section  
14 74.01, the holder of a brewpub license may sell ale and malt liquor  
15 to the holder of a wholesaler's permit, a general class B  
16 wholesaler's permit, or a local class B wholesaler's permit.

17 SECTION 5. This Act takes effect immediately if it receives  
18 a vote of two-thirds of all the members elected to each house, as  
19 provided by Section 39, Article III, Texas Constitution. If this  
20 Act does not receive the vote necessary for immediate effect, this  
21 Act takes effect September 1, 2017.

# ADOPTED

MAY 23 2017

*Atty. Gen.*  
Secretary of the Senate

FLOOR AMENDMENT NO. 1

BY: *Wm. J. Dalton*

1 Amend C.S.H.B. No. 2098 (senate committee printing) as  
2 follows:

3 (1) In SECTION 4 of the bill, in amended Section 74.10(a),  
4 Alcoholic Beverage Code (page 2, line 26), between "permit" and the  
5 period, insert "or to qualified wholesalers or other similarly  
6 situated entities outside the state".

7 (2) Add the following appropriately numbered SECTION to the  
8 bill and renumber subsequent SECTIONS of the bill as appropriate:

9 SECTION \_\_\_\_\_. Section 74.09(a), Alcoholic Beverage Code, is  
10 amended to read as follows:

11 (a) In addition to the activities authorized by Section  
12 74.01, the holder of a brewpub license may sell beer produced under  
13 the license to the holder of a general, local, or branch  
14 distributor's license or to qualified distributors or other  
15 similarly situated entities outside the state.

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**

**May 23, 2017**

**TO:** Honorable Joe Straus, Speaker of the House, House of Representatives

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB2098** by Geren (Relating to allowing certain wholesalers and distributors to purchase beer, ale, and malt liquor from the holder of a brewpub license.), **As Passed 2nd House**

<b>No significant fiscal implication to the State is anticipated.</b>
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The bill would amend the Alcoholic Beverage Code to allow the holder of a wholesaler's or local class B wholesaler's permit to purchase ale and malt liquor from holders of brewpub licenses. The bill would also authorize the holder of a brewpub license to sell ale and malt liquor to qualified wholesalers or other similarly situated entities outside the state. The bill would also authorize the holder of a local distributor's license to receive beer from brewpubs and to sell and distribute beer to certain permit or license holders or to other distributors. It is assumed that any costs associated with implementing the provisions of the bill could be absorbed within existing resources.

The bill would take effect immediately if it receives a vote of two-thirds of all the members elected to each house. Otherwise, the bill would take effect September 1, 2017.

**Local Government Impact**

According to the Texas Municipal League, no fiscal implication to municipalities is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts, 458 Alcoholic Beverage Commission

**LBB Staff:** UP, CL, AI, FR, JGA

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**

**May 12, 2017**

**TO:** Honorable Kelly Hancock, Chair, Senate Committee on Business & Commerce

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB2098** by Geren (Relating to allowing certain wholesalers and distributors to purchase beer, ale, and malt liquor from the holder of a brewpub license.), **Committee Report 2nd House, Substituted**

<p><b>No significant fiscal implication to the State is anticipated.</b></p>
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The bill would amend the Alcoholic Beverage Code to allow the holder of a wholesaler's or local class B wholesaler's permit to purchase ale and malt liquor from holders of brewpub licenses. The bill would also authorize the holder of a local distributor's license to receive beer from brewpubs and to sell and distribute beer to certain permit or license holders or to other distributors. It is assumed that any costs associated with implementing the provisions of the bill could be absorbed within existing resources.

The bill would take effect immediately if it receives a vote of two-thirds of all the members elected to each house. Otherwise, the bill would take effect September 1, 2017.

**Local Government Impact**

According to the Texas Municipal League, no fiscal implication to municipalities is anticipated.

**Source Agencies:** 458 Alcoholic Beverage Commission, 304 Comptroller of Public Accounts  
**LBB Staff:** UP, CL, AI, FR, JGA

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**

**May 4, 2017**

**TO:** Honorable Kelly Hancock, Chair, Senate Committee on Business & Commerce

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB2098** by Geren (Relating to allowing the holder of a brewpub license to sell ale and malt liquor to certain wholesalers.), **As Engrossed**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Alcoholic Beverage Code to allow the holder of a wholesaler's or local class B wholesaler's permit to purchase ale and malt liquor from holders of brewpub licenses. It is assumed that any costs associated with implementing the provisions of the bill could be absorbed within existing resources.

The bill would take effect immediately if it receives a vote of two-thirds of all the members elected to each house. Otherwise, the bill would take effect September 1, 2017.

**Local Government Impact**

According to the Texas Municipal League, no fiscal implication to municipalities is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts, 458 Alcoholic Beverage Commission  
**LBB Staff:** UP, CL, AI, FR, JGA

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**

**March 24, 2017**

**TO:** Honorable John Kuempel, Chair, House Committee on Licensing & Administrative Procedures

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB2098** by Geren (Relating to allowing the holder of a brewpub license to sell ale and malt liquor to certain wholesalers.), **As Introduced**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Alcoholic Beverage Code to allow the holder of a wholesaler's or local class B wholesaler's permit to purchase ale and malt liquor from holders of brewpub licenses. It is assumed that any costs associated with implementing the provisions of the bill could be absorbed within existing resources.

The bill would take effect immediately if it receives a vote of two-thirds of all the members elected to each house. Otherwise, the bill would take effect September 1, 2017.

**Local Government Impact**

According to the Texas Municipal League, no fiscal implication to municipalities is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts, 458 Alcoholic Beverage Commission

**LBB Staff:** UP, CL, AI, FR, JGA